

Third Party Payment of Freight Bills

Fred Crawmer

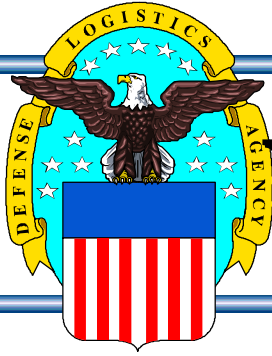
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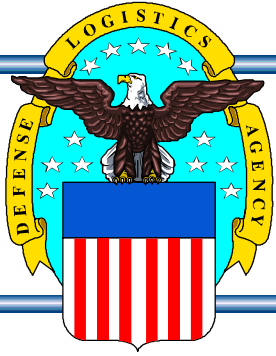
Background

- **OSD asked us to look at alternate methods of freight bill payment**
- **Met with OSD & First Bank Systems to explore alternatives**
- **Received briefing on FBS's "PowerTrack" system**



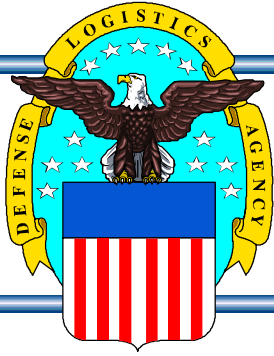
What PowerTrack is

- **Payment system for Logistics Ops**
 - **Provides management information**
 - **Reduces bill paying costs**
 - **Reconciles bills**
 - **Facilitates dispute settlement**



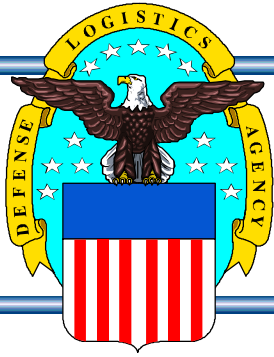
How PowerTrack Works

- **Receives pre-rated EC bill of lading**
- **Obtains carrier's EC proof of delivery**
- **Validates proof of delivery**
- **Pays carrier by EFT**



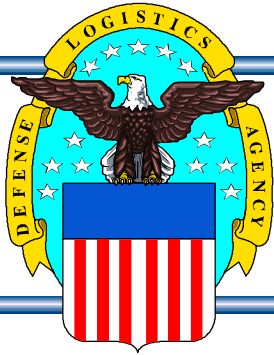
What We Looked at

- **Depot/DCMC CONUS Shipments**
 - **Small Parcel/Air Freight**
 - **LTL/TL :**
 - **Round Robin**
 - **Point to point**
 - **Depot to region**
 - **Special equipment**



Analysis Matrix

FACTOR	Small Parcel	LTL/TL
Pre-rated Bill	Needed	Have
EDI Capability	Needed	Have
Proof of Delivery	Have	Have
Streamline Carrier Payment	Needed	Needed



POA&M

- **Dec 96** **OSD/DLA briefed on PowerTrack**
- **Feb 97** **DLA team briefed on PowerTrack**
- **Mar 97** **Process analysis by team**
- **May 97** **Cost base line - CBL vs GBL**
- **Jun 97** **Test proposal/meet with GSA**
- **Jul 97** **Metrics/Carrier integration**
- **Aug 97** **Establish prototype/test plan**
- **Sep 97** **Complete training plan/train**
- **Nov 97** **Initiate test**



Change & Challenges

Opportunities

- **Improves efficiencies**
- **Value added best business practice**
- **Maximizes EC use**
- **Exportable**
- **Partnering**

Risks

- **Contract concerns**
- **Current programs**
- **Prototype**



Conclusion

- **Test LTL/TL first**
- **Work DSS changes**
- **Developing EC and pre-rating capability for small parcel/air freight shipments**